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What is crowdfunding?

Wikipedia describes crowdfunding as “the collective effort of individuals who network and pool their resources, usually via the internet, to support efforts initiated by other people or organizations.” In other words, crowdfunding is a way for artists and arts organizations to ask many individuals to make small investments that collectively fund a project.

The most popular crowdfunding resources are found on platforms like Kickstarter and Indiegogo. These platforms give users a simple webpage on which to build campaigns and promote work to potential funders. Some platforms even provide assistance in finding funders by featuring campaigns on their website or offering fundraisers which assist in seeking funds.

Building a campaign is free, however if a campaign is successful in reaching its stated financial goal the host website takes a percentage (4-9%) of the earned money before passing it onto the recipient. Processing fees also take out an additional 4-5%.

– Jessica Rajko, from “Trends in Fundraising: Crowdfunding 101,” www.azarts.gov

Navigating crowdfunding platforms (from previous page)

This may seem like a lot, but all of these rewards sold out and with their donations, The Loft was able to exceed its \$30,000 goal and raise a total of \$30,340.

“The whole process was very simple,” says Zach. “Overall, I’d say we spent about eight hours from making the campaign to the actual marketing.”

When I asked how he marketed the campaign, Zack said, “We used a lot of social media (Facebook and Twitter), did a few e-blasts, made flyers for the theater, and included the information in our monthly calendar.”

The Loft recently released its second IndieGoGo crowdfunding campaign, which offers a wide range of rewards from free tickets to a private party.

“The most important thing we learned is to have a good system already in place for how you are going to disburse the rewards,” Zack said. “Additionally, I think having several different levels of giving would have been helpful in our last campaign.” They implemented this insight when building this second campaign’s reward structure.

Take Away Message: The ability to give donors a tax-deductible receipt makes IndieGoGo an excellent choice for nonprofit arts organizations and artists/organizations sponsored by Fractured Atlas. This is particularly exciting when donors can receive an excellent campaign reward and still write off their donation.

While IndieGoGo offers a large amount of flexibility, users should beware of the steep penalties for not reaching funding goals. Unsuccessful campaigns that choose to “Keep it All” can lose up to 13% of the total raised funds before receiving any money and they still have to make good on reward promises.

Despite the potentially large penalties, I recommend IndieGoGo for arts nonprofits and those fiscally sponsored by Fractured Atlas. If you want to start an IndieGoGo campaign, check out their blogs on how to promote your campaign online and offline.

USA Projects

USA Projects was created by United States Artists (USA) to provide individual artists with a crowdfunding platform that offers support and guidance through the fundraising process. Unlike other crowdfunding platforms, USA Projects provides artists with a dedicated staff mentor who works with campaign creators to create and market their campaign.

The result of this mentorship is a much higher success rate – 75% of all projects started in USA Projects are successfully funded. According to USA Projects, this compares to the success rate of 45% at similar sites.

Staff mentors will give feedback on the campaign page and pitch video, and even provide “homework” for artists. Overall, this is a far more involved process, but the result is a higher chance of reaching the campaign-funding goal. And now, the details:

Funding Model: Like Kickstarter, the only funding option is “All or Nothing.”

Maximum Campaign Length: Unlike the other platforms, USA Projects does not have a specified maximum campaign length. The length of the campaign is negotiated between the artist and the staff mentor.

Creator/Project Eligibility: In order to make a campaign, the creator must be a U.S. citizen and a nationally recognized artist. As USA Projects states, “The artists seeking funding on USA Projects are all nationally recognized for the caliber and impact of their work.”

Beyond this, USA Projects does not provide many details on how they “vet” their artists prior to starting a campaign. Projects supported through USA Projects must either lead to the creation of a new work of art or enhance or further the artist’s practice. USA Projects specifies that projects can be:

- A new project or creative endeavor
- An existing work that needs completion
- To expand your practice – think size, scope, and direction
- Focus on a cause or community
- Fund the end result or the preparation phase

- Fund a “singular” work or collaborative piece

- Archive or document work
- Raise completion funds to supplement past grants

Payment Processing/Processing Fees: None. Seriously. All raised funds go straight to the artist. There are no fees.

In February 2013, USA Artists changed the way in which they finance the program. Artists used to have to provide a steep 19% of raised funds to pay for the involved administrative support and processing fees, but now donors are directly providing these funds so that everything artists raise goes directly to them. On top of that, all donations are tax-deductible, even if donors receive campaign rewards.

What Carley Conder has to say about USA Projects: Carley Conder is a Tempe-based dancer, choreographer, and director of CONDER/dance. Through USA Projects, Carley successfully funded a solo project called Flying Solo. In this project, she commissioned choreographer Ashleigh Leite to create a solo work for her, which was premiered in Tempe and recently performed in New York City.

In reflecting upon her experience, Carley said, “USA Projects is very particular about the material that is presented on their site. I had to write and rewrite several times.” This hard work paid off when Carley exceeded her \$3,200 funding goal by raising a total of \$3,660.

This success is even sweeter after a failed Kickstarter campaign one year ago. “I tried a project on Kickstarter a year ago that was a big fat failure. It was kind of devastating to take a nosedive in such a public way ... different than not getting a grant. So, I knew I needed some guidance.”

She goes on to say, “USA Projects gives you information on best practices for crowdfunding such as a schedule on when to send out mass emails, when to contact specific donors, and the content to include in each email.”

When asked what advice Carley would give to artists thinking about starting a campaign, she replied, “Do your research, make the project something that is vital to you and the community, and don’t expect strangers to donate to your project – it doesn’t work that

way. Hire a videographer!”

Take Away: This option is fantastic for individual artists who think they would benefit from the support of a fundraising mentor. The success rate of projects supported through USA Projects is much higher than projects launched on similar sites. Artists keep all the funds they raise. Donors can make tax-deductible donations.

What’s not to love, right? Well, while USA Projects is a great option for individual artists, organizations cannot apply. Also, make sure you have the time to dedicate to the fundraising process.

As Carley Conder stated, it is an extremely hands-on process, and your staff mentor will expect you to invest time and take feedback. Be prepared to make changes to your campaign. If you do not have the time to make your campaign a priority, or if you prefer to work alone, this may not be the best option for you.

However, if you are an individual artist who wants fundraising mentorship and has the time to make your crowdfunding campaign a priority, then I recommend looking closer at USA Projects.

Final Thoughts: This article only highlights a few important aspects of each of these crowdfunding platforms. Before you dive into your campaign, make sure you fully investigate the tools, resources, and guidelines for the platform you choose. Also, ask yourself, “Would I want to fund this campaign?” If the answer is no, or even maybe, then think about what would turn your answer into a solid yes.

If you cannot find an answer, maybe now is not the time to make a campaign. It seems like everyone is making a campaign these days, which means the people you ask are also being asked to fund several other campaigns.

Remember that your campaign is likely to be primarily funded by your friends, family, fans and patrons. Give them something to be excited about, whether it’s a great idea or great rewards. Make funders want to give, rather than feel obligated to give.

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Dear Digit is a new “question-and-answer” column by Bethann Garramon Merkle that will provide resources, ideas and tips to

address digital communications questions from an arts perspective.



changes to their policies which rightfully have creative types up in arms. The terms of service for many social media outlets are increasingly written to ben-

efit the companies. Some go so far as to state that content posted (including images of your original work) becomes their property. Period.

While it is a risk not worth taking for many, there are also benefits to participating actively on social media. So, how do we artfully navigate in the gray area?

The American Society of Media Photographers has an excellent on-going series discussing this quandary (www.asmp.org/strictlybusiness/). The best advice I’ve seen from them so far is this: “If you are going to use Social Media, ASMP advises that you use it intelligently by hosting your own content on your website, blog, or other publishing platform that you own and then posting links to that content. We do not advise posting content directly on social media platforms.”

Bottom line, you have a lot less to worry about if you link/refer to your work on Facebook, Instagram, Pinterest, Twitter, etc., rather than posting original content directly on a social media site.

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